

Oil prices extend gains amid Iran and Russia-Ukraine tensions

Oil prices rose during Asian trading on Tuesday, extending strong gains from the previous session, as uncertainty over a potential U.S.-Iran nuclear deal and escalating tensions between Ukraine and Russia signaled more possible disruptions to supply.

Oil prices were also supported by recent wildfires in Alberta, a major oil-producing province in Canada, which affected production. Markets were further boosted by an agreement from the Organization of the Petroleum Exporting Countries and allies (OPEC+) to increase output in line with market expectations.

A deadly Ukrainian drone strike on Russia also heightened concerns about further geopolitical disruptions to oil supply, as did reports that the U.S. was considering even tougher sanctions on the Russian oil industry.

Brent crude futures rose 0.8% to \$65.17 per barrel, while West Texas Intermediate (WTI) crude futures climbed 0.9% to \$62.04 per barrel as of 10:19 PM Brasília time

Ongoing negotiations between Iran and the U.S. have offered mixed signals on whether a consensus will be reached. A senior Iranian official said on Monday that Tehran was preparing to reject a U.S. proposal.

Reports indicated the U.S. was ready to allow Iran to enrich some uranium. However, U.S. President Donald Trump stated on Monday that he would not permit the country to enrich any uranium, which could be a major sticking point for Tehran.

A nuclear deal was expected to unlock Iran's oil exports, which are currently under heavy U.S. sanctions. The absence of an agreement would keep those restrictions in place, limiting global oil supply.

Expectations of tighter supply were also fueled by reports that U.S. lawmakers were considering stricter sanctions on Russia's energy sector, this time targeting major buyers such as China and India.

Talks of harsher sanctions come amid little progress toward a ceasefire between Russia and Ukraine, with Moscow stating it would only end the war if Kyiv surrendered large parts of its territory.

Peace talks held on Monday were short-lived, especially following a devastating Ukrainian drone strike deep into Russian territory over the weekend.

U.S. President Donald Trump's calls for a ceasefire also appear to have been largely ignored by Moscow, a trend that may invite further U.S. restrictions.